



# UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE  
United States Patent and Trademark Office  
Address: COMMISSIONER FOR PATENTS  
P.O. Box 1450  
Alexandria, Virginia 22313-1450  
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
-----------------	-------------	----------------------	---------------------	------------------

10/784,719

02/23/2004

Matthew B. Schoen

Schoen-P1-04

9452

28710 7590 02/03/2012  
PETER K. TRZYNA, ESQ.  
P O BOX 7131  
CHICAGO, IL 60680

EXAMINER

MEINECKE DIAZ, SUSANNA M

ART UNIT

PAPER NUMBER

3684

MAIL DATE

DELIVERY MODE

02/03/2012

PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.



UNITED STATES PATENT AND TRADEMARK OFFICE

---

Commissioner for Patents  
United States Patent and Trademark Office  
P.O. Box 1450  
Alexandria, VA 22313-1450  
[www.uspto.gov](http://www.uspto.gov)

**BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES**

Application Number: 10/784,719  
Filing Date: February 23, 2004  
Appellant(s): SCHOEN ET AL.

Peter K. Trzyna (Reg. No. 32,601)  
For Appellant

**EXAMINER'S ANSWER**

This is in response to the appeal brief filed January 3, 2012 appealing from the Office action mailed November 30, 2010.

**(1) Real Party in Interest**

The examiner has no comment on the statement, or lack of statement, identifying by name the real party in interest in the brief.

**(2) Related Appeals and Interferences**

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

**(3) Status of Claims**

The following is a list of claims that are rejected and pending in the application:

Claims 1-5, 35-43, 48, 51, 52, 57-65, 70-85, 115-123, 128, 131, 132, 137-145, 150-162, and 166 are rejected.

(Claims 6-34, 44-47, 49-50, 53-56, 66-69, 86-114, 124-127, 129-130, 133-136, 146-149, 163-165, and 167-171 are pending, but they have been withdrawn from consideration.)

**(4) Status of Amendments After Final**

The examiner has no comment on the appellant's statement of the status of amendments after final rejection contained in the brief.

**(5) Summary of Claimed Subject Matter**

The examiner has no comment on the summary of claimed subject matter contained in the brief.

**(6) Grounds of Rejection to be Reviewed on Appeal**

The examiner has no comment on the appellant's statement of the grounds of rejection to be reviewed on appeal. Every ground of rejection set forth in the Office action from which the appeal is taken (as modified by any advisory actions) is being maintained by the examiner except for the grounds of rejection (if any) listed under the subheading "WITHDRAWN REJECTIONS." New grounds of rejection (if any) are provided under the subheading "NEW GROUNDS OF REJECTION."

#### **(7) Claims Appendix**

The examiner has no comment on the copy of the appealed claims contained in the Appendix to the appellant's brief.

#### **(8) Evidence Relied Upon**

6,119,093	WALKER et al.	9-2000
5,704,045	KING et al.	12-1997
7,050,998	KALE et al.	5-2006

McCord et al. ("Partnerships: If There's a Beginning...There's an End." *The National Public Accountant*, vol. 37, no. 4, page 18, April 1992).

#### **(9) Grounds of Rejection**

The following ground(s) of rejection are applicable to the appealed claims:

Claims 1-5, 35, 40-42, 57-65, 70-85, 115, 120-122, 137-145, 150-162, and 166 are rejected under 35 U.S.C. 103(a) as being unpatentable over Walker et al. (U.S. Patent No. 6,119,093) in view of McCord et al. ("Partnerships: If There's a Beginning...There's an End." *The National Public Accountant*, vol. 37, no. 4, page 18, April 1992).

Art Unit: 3684

Claims 36-39, 43, 48, 52, 116-119, 123, 128, and 132 are rejected under 35 U.S.C. 103(a) as being unpatentable over Walker et al. (U.S. Patent No. 6,119,093) in view of McCord et al. ("Partnerships: If There's a Beginning...There's an End." *The National Public Accountant*, vol. 37, no. 4, page 18, April 1992"), as applied to claims 1 and 81 above, and further in view of King et al. (U.S. Patent No. 5,704,045).

Claims 51 and 131 are rejected under 35 U.S.C. 103(a) as being unpatentable over Walker et al. (U.S. Patent No. 6,119,093) in view of McCord et al. ("Partnerships: If There's a Beginning...There's an End." *The National Public Accountant*, vol. 37, no. 4, page 18, April 1992") in view of King et al. (U.S. Patent No. 5,704,045), as applied to claims 1, 48, 81, and 128 above, and further in view of Kale et al. (U.S. Patent No. 7,050,998).

### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1-5, 35, 40-42, 57-65, 70-85, 115, 120-122, 137-145, 150-162, and 166 are rejected under 35 U.S.C. 103(a) as being unpatentable over Walker et al. (U.S. Patent No. 6,119,093) in view of McCord et al. ("Partnerships: If There's a Beginning...There's an End." *The National Public Accountant*, vol. 37, no. 4, page 18, April 1992).

Walker discloses a computer-aided method of determining participation in a pool, the method including the steps of:

[Claim 1] forming a pool to handle a monetary obligation that is a financial liability over a period of time (col. 1, lines 14-24 – “In an insurance syndicate, a group of individual investors each pledge to insure against a portion of the risk specified in one or more insurance policies, in return for a share of the premiums.”; col. 13, lines 35-39 – “If the policy is in syndication with existing investors (that is, there are investors to whom a portion of the premium should be paid), the central controller **201** queries the investor (by policy) database **340** for the corresponding investor identification (step **1308**).”; col. 14, lines 1-7);

storing, in a computer system, rules for member participation in the pool (col. 5, lines 9-43 – The syndication central server stores and updates policy information, including information regarding the frozen credit line of an investor. “If at any time the cardholder cancels his credit card account with that bank, the bank immediately notifies the insurance agency and the terms of policy investment are canceled immediately.” This means that the investor must comply with the required frozen credit line rules in order to qualify for member participation in the pool (syndicate). The terms of the policy are part of the contract information and this information is maintained by the syndication central server, as seen in col. 4, line 47 through col. 5, line 43, col. 6, line 59 through col. 7, line 6, and col. 12, lines 22-49.); and

applying the rules, with the computer system, to carry out the step of determining the participation within the period of time (col. 5, lines 9-43 – The syndication central server stores and updates policy information, including information regarding the frozen credit line of an investor. “If at any time the cardholder cancels his credit card account with that bank, the bank immediately notifies the insurance agency and the terms of policy investment are canceled immediately.” This means that the investor must comply with the required frozen credit line rules in order to qualify for member participation in the pool (syndicate).).

Regarding claim 1, Walker does not explicitly disclose that the applied rules include “a requirement that at least one member of the pool assumes a larger share of the obligation in the event at least one other member of the pool has a reduced share of the obligation.” McCord discusses the dissolution of a partnership. McCord explains:

Partnership dissolution will eventually arise because one or more partners becomes deceased, is coerced to withdraw by other partners or may simply desire to end the partnership for personal reasons. At dissolution, the partnership may be fully liquidated, may be sold to other investors or may be continued as a new partnership including remaining partners, with or without new partners.

If assets are liquidated, the proceeds are generally used to retire debt and the balance (equity) is distributed among partners. If the partnership is sold to other investors, the proceeds from the sale are distributed to partners because new investors usually take over existing debt. (McCord: page 18, column 2 through page 19, column 1)

Art Unit: 3684

McCord's describes partnerships as being formed of partners who share in ownership of the debt and equity of the partnership. This is analogous to Walker's insurance syndicate in which members of the syndicate pool their financial resources together in case an insurance policy needs to be paid out (while reaping the benefit of income from related insurance premiums). Walker also describes the scenario in which a pool member (investor) cancels his/her credit card that was providing a credit line toward the pool's investment. In such a situation, the investor's stake in the policy may be cancelled by the syndication service (Walker: col. 5, line 9 through col. 6, line 4).

Walker does not get into details of how the potential insurance obligation of the pool is paid out when an investor drops out of the pool; however, such an obligation must be covered somehow. There would be a finite number of available solutions to cover this obligation. Assuming that a financial obligation must be covered by a pool of investors, if one investor contributing a certain portion of the financial obligation drops out of the pool, this lost financial portion must be compensated for somehow. For example, if a pool of investors invests in an insurance pool that promises to pay out \$1 million and one investor in the pool who promises \$100,000 toward the potential insurance payout drops out of the pool, this means that the \$100,000 portion of the obligation needs to be raised somehow. The insurance syndicate is effectively a partnership. Similarly, McCord's partners (in a partnership) are effectively investors in the partnership. As stated by McCord, if one partner leaves the partnership, other (new) investors brought into the partnership or the remaining partners may take over the remaining share of debt. Both Walker and McCord are directed toward handling debt by a pool of investors



Art Unit: 3684

(or partners). The Examiner submits that it would have been obvious to one of ordinary skill in the financial art at the time of Applicant's invention to modify Walker to address the issue of loss of a pool participant in accordance with "a requirement that at least one member of the pool assumes a larger share of the obligation in the event at least one other member of the pool has a reduced share of the obligation" in order to help assure that the obligations of the pool will continue to be met by the pool as a whole.

Walker discloses:

[Claim 2] wherein the determining includes changing membership in the pool (col. 5, lines 9-43 – The syndication central server stores and updates policy information, including information regarding the frozen credit line of an investor. "If at any time the cardholder cancels his credit card account with that bank, the bank immediately notifies the insurance agency and the terms of policy investment are canceled immediately." This means that the investor must comply with the required frozen credit line rules in order to qualify for member participation in the pool (syndicate). Joining a syndicate or canceling an investor's membership in the syndicate is a change of membership in the pool.).

Regarding claim 2, Walker does not explicitly disclose that the applied rules include "at least one rule to appoint at least one new member to replace a member leaving the pool, whereby the determining includes changing membership in the pool." McCord discusses the dissolution of a partnership. McCord explains:

Partnership dissolution will eventually arise because one or more partners becomes deceased, is coerced to withdraw by other partners or may simply desire to end the partnership for personal reasons. At dissolution, the partnership may be fully liquidated, may be sold to other investors or may be continued as a new partnership including remaining partners, with or without new partners.

If assets are liquidated, the proceeds are generally used to retire debt and the balance (equity) is distributed among partners. If the partnership is sold to other investors, the proceeds from the sale are distributed to partners because new investors usually take over existing debt. (McCord: page 18, column 2 through page 19, column 1)

McCord's describes partnerships as being formed of partners who share in ownership of the debt and equity of the partnership. This is analogous to Walker's insurance syndicate in which members of the syndicate pool their financial resources together in case an insurance policy needs to be paid out (while reaping the benefit of income from related insurance premiums). Walker also describes the scenario in which a pool member (investor) cancels his/her credit card that was providing a credit line toward the pool's investment. In such a situation, the investor's stake in the policy may be cancelled by the syndication service (Walker: col. 5, line 9 through col. 6, line 4). Walker does not get into details of how the potential insurance obligation of the pool is paid out when an investor drops out of the pool; however, such an obligation must be covered somehow. There would be a finite number of available solutions to cover this obligation. Assuming that a financial obligation must be covered by a pool of investors, if one investor contributing a certain portion of the financial obligation drops out of the pool, this lost financial portion must be compensated for somehow. For example, if a

Art Unit: 3684

pool of investors invests in an insurance pool that promises to pay out \$1 million and one investor in the pool who promises \$100,000 toward the potential insurance payout drops out of the pool, this means that the \$100,000 portion of the obligation needs to be raised somehow. The insurance syndicate is effectively a partnership. Similarly, McCord's partners (in a partnership) are effectively investors in the partnership. As stated by McCord, if one partner leaves the partnership, other (new) investors brought into the partnership or the remaining partners may take over the remaining share of debt. Both Walker and McCord are directed toward handling debt by a pool of investors (or partners). The Examiner submits that it would have been obvious to one of ordinary skill in the financial art at the time of Applicant's invention to modify Walker to address the issue of loss of a pool participant in accordance with "at least one rule to appoint at least one new member to replace a member leaving the pool, whereby the determining includes changing membership in the pool" in order to help assure that the obligations of the pool will continue to be met by the pool as a whole.

Walker discloses:

[Claim 3] wherein the determining includes changing responsibility for the financial liability of a member of the pool (col. 5, lines 9-43 – The syndication central server stores and updates policy information, including information regarding the frozen credit line of an investor. "If at any time the cardholder cancels his credit card account with that bank, the bank immediately notifies the insurance agency and the terms of policy

Art Unit: 3684

investment are canceled immediately.” This means that the investor must comply with the required frozen credit line rules in order to qualify for member participation in the pool (syndicate). Joining a syndicate or canceling an investor's membership in the syndicate is a change of membership in the pool, which alters the particular investor's financial liability.);

[Claim 4] wherein the determining includes changing responsibility for the financial liability of the pool (col. 5, lines 9-43 – The syndication central server stores and updates policy information, including information regarding the frozen credit line of an investor. “If at any time the cardholder cancels his credit card account with that bank, the bank immediately notifies the insurance agency and the terms of policy investment are canceled immediately.” This means that the investor must comply with the required frozen credit line rules in order to qualify for member participation in the pool (syndicate). Joining a syndicate or canceling an investor's membership in the syndicate is a change of membership in the pool, which alters the particular investor's financial liability.);

[Claim 5] wherein the financial liability is associated in the computer system with a financial product (abstract -- The syndicate is formed to fund the financial liability of an insurance policy, which is a type of financial product.);

[Claim 35] wherein the rules include at least one requirement regarding a credit rating of one of the members of the pool (col. 5, lines 9-43 – The syndication central server stores and updates policy information, including information regarding the frozen credit

Art Unit: 3684

line of an investor. "If at any time the cardholder cancels his credit card account with that bank, the bank immediately notifies the insurance agency and the terms of policy investment are canceled immediately." This means that the investor must comply with the required frozen credit line rules in order to qualify for member participation in the pool (syndicate). The terms of the policy are part of the contract information and this information is maintained by the syndication central server, as seen in col. 4, line 47 through col. 5, line 43, col. 6, line 59 through col. 7, line 6, and col. 12, lines 22-49.);

[Claim 40] computing, with said computer system, an adjustment of said at least one requirement according to a criterion (col. 8, lines 36-65, col. 12, lines 50-59, col. 14, lines 25-36 – The terms agreed to by all involved parties determine how much risk each investor is willing to accept and thus potentially fund via a credit freeze. The investment amount/percentage varies based on each policy and specific terms agreed to; col. 5, lines 9-43 – The syndication central server stores and updates policy information, including information regarding the frozen credit line of an investor. "If at any time the cardholder cancels his credit card account with that bank, the bank immediately notifies the insurance agency and the terms of policy investment are canceled immediately." This means that the investor must comply with the required frozen credit line rules in order to qualify for member participation in the pool (syndicate). The terms of the policy are part of the contract information and this information is maintained by the syndication central server, as seen in col. 4, line 47 through col. 5, line 43, col. 6, line 59 through col. 7, line 6, and col. 12, lines 22-49. It is noted that claim 40 is dependent from either

Art Unit: 3684

of claims 35-39. The current analysis addresses the option where claim 40 is interpreted as being dependent from claim 35);

[Claim 41] wherein the determining is responsive, at least in part, to an event (col. 5, lines 9-43 – The syndication central server stores and updates policy information, including information regarding the frozen credit line of an investor. “If at any time the cardholder cancels his credit card account with that bank, the bank immediately notifies the insurance agency and the terms of policy investment are canceled immediately.” This means that the investor must comply with the required frozen credit line rules in order to qualify for member participation in the pool (syndicate). A request to join a syndicate or a cancellation of an investor’s membership in the syndicate is a type of event.);

[Claim 42] computing, with said computer system, an adjustment of said at least one requirement according a formula (col. 8, lines 36-65, col. 12, lines 50-59, col. 14, lines 25-36 – The terms agreed to by all involved parties determine how much risk each investor is willing to accept and thus potentially fund via a credit freeze. The investment amount/percentage varies based on each policy and specific terms agreed to.

Determining a percentage or amount corresponding to a risk share implies a formula; col. 5, lines 9-43 – The syndication central server stores and updates policy information, including information regarding the frozen credit line of an investor. “If at any time the cardholder cancels his credit card account with that bank, the bank immediately notifies the insurance agency and the terms of policy investment are canceled immediately.” This means that the investor must comply with the required frozen credit line rules in

Art Unit: 3684

order to qualify for member participation in the pool (syndicate). The terms of the policy are part of the contract information and this information is maintained by the syndication central server, as seen in col. 4, line 47 through col. 5, line 43, col. 6, line 59 through col. 7, line 6, and col. 12, lines 22-49. It is noted that claim 40 is dependent from either of claims 35-39. The current analysis addresses the option where claim 40 is interpreted as being dependent from claim 35);

[Claim 57] storing, in the computer system, a profit limitation for the members of the pool (col. 14, lines 19-36 – The premiums define profit limitations; Walker stores various policy-related information, including syndicate requirements and terms, as seen in col. 4, line 47 through col. 5, line 43, col. 6, line 59 through col. 7, line 6, and col. 12, lines 22-49.);

[Claim 58] wherein the profit limitation is determined by a mathematical formula (col. 14, lines 19-36 – The premiums define profit limitations. Calculation of percentage implies use of a formula.);

[Claim 59] wherein the step of storing comprises storing a formula of relative positions of the members of the pool with regard to their shares of risk and revenue (col. 8, lines 36-65, col. 12, lines 50-59, col. 14, lines 25-36 – The terms agreed to by all involved parties determine how much risk each investor is willing to accept and thus potentially fund via a credit freeze. The investment amount/percentage varies based on each policy and specific terms agreed to. Determining a percentage or amount corresponding to a risk share implies a formula);

Art Unit: 3684

[Claim 60] wherein the step of storing in a computer, rules for participation in the pool includes storing terms of an agreement, along with respective shares of risk and revenue for the members of the pool, under certain triggering future events (Walker stores various policy-related information, including syndicate requirements, risk and revenue, as seen in col. 4, line 47 through col. 5, line 43, col. 6, line 59 through col. 7, line 6, col. 12, lines 22-49, and col. 13, line 35 through col. 14, line 45);

[Claim 61] wherein one of said terms governs appointing a replacement pool member (col. 4, line 47 through col. 5, line 43 – The phrase “replacement” is just an identifier for the pool member and imparts no functionality or structurally limiting scope.

Furthermore, an investor that applies to join a syndicate is effectively serving to replace some of the risk previously carried by the insurance company. In this sense, a new investor may be seen as a “replacement” pool member);

[Claim 62] wherein one of said terms governs adding a new slot to accommodate a new pool member (col. 4, line 47 through col. 5, line 43);

[Claim 63] wherein one of said terms governs adding a new slot to accommodate a new pool member in response to the aggregate business written (col. 4, line 47 through col. 5, line 43; col. 14, lines 26-45);

[Claim 64] further including the step of monitoring, with said computer system, compliance with the terms of the agreement (col. 8, lines 36-65, col. 12, lines 50-59, col. 14, lines 25-36 – The terms agreed to by all involved parties determine how much risk each investor is willing to accept and thus potentially fund via a credit freeze. The



Art Unit: 3684

investment amount/percentage varies based on each policy and specific terms agreed to. Determining a percentage or amount corresponding to a risk share implies a formula; col. 5, lines 9-43 – The syndication central server stores and updates policy information, including information regarding the frozen credit line of an investor. “If at any time the cardholder cancels his credit card account with that bank, the bank immediately notifies the insurance agency and the terms of policy investment are canceled immediately.” This means that the investor must comply with the required frozen credit line rules in order to qualify for member participation in the pool (syndicate). The terms of the policy are part of the contract information and this information is maintained by the syndication central server, as seen in col. 4, line 47 through col. 5, line 43, col. 6, line 59 through col. 7, line 6, and col. 12, lines 22-49.);

[Claim 65] wherein the monitoring is response, in part, to input reports from each pool member (col. 8, lines 36-65, col. 12, lines 50-59, col. 14, lines 25-36 – The terms agreed to by all involved parties determine how much risk each investor is willing to accept and thus potentially fund via a credit freeze. The investment amount/percentage varies based on each policy and specific terms agreed to, based at least in part on input reports from each pool member. Determining a percentage or amount corresponding to a risk share implies a formula; col. 5, lines 9-43 – The syndication central server stores and updates policy information, including information regarding the frozen credit line of an investor. “If at any time the cardholder cancels his credit card account with that bank, the bank immediately notifies the insurance agency and the terms of policy investment are canceled immediately.” This means that the investor must comply with

Art Unit: 3684

the required frozen credit line rules in order to qualify for member participation in the pool (syndicate). The terms of the policy are part of the contract information and this information is maintained by the syndication central server, as seen in col. 4, line 47 through col. 5, line 43, col. 6, line 59 through col. 7, line 6, and col. 12, lines 22-49.);

[Claim 70] further including the step of signaling, with said computer system, to enforce the agreement (col. 8, lines 36-65, col. 12, lines 50-59, col. 14, lines 25-36 –

The terms agreed to by all involved parties determine how much risk each investor is willing to accept and thus potentially fund via a credit freeze. The investment amount/percentage varies based on each policy and specific terms agreed to.

Determining a percentage or amount corresponding to a risk share implies a formula; col. 5, lines 9-43 – The syndication central server stores and updates policy information, including information regarding the frozen credit line of an investor. “If at any time the cardholder cancels his credit card account with that bank, the bank immediately notifies the insurance agency and the terms of policy investment are canceled immediately.”

This means that the investor must comply with the required frozen credit line rules in order to qualify for member participation in the pool (syndicate). The terms of the policy are part of the contract information and this information is maintained by the syndication central server, as seen in col. 4, line 47 through col. 5, line 43, col. 6, line 59 through col. 7, line 6, and col. 12, lines 22-49.);

[Claim 71] wherein the step of determining the participation is according to a pre-specified criterion (col. 8, lines 36-65, col. 12, lines 50-59, col. 14, lines 25-36 – The terms agreed to by all involved parties determine how much risk each investor is willing

Art Unit: 3684

to accept and thus potentially fund via a credit freeze. The investment amount/percentage varies based on each policy and specific terms agreed to.

Determining a percentage or amount corresponding to a risk share implies a formula; col. 5, lines 9-43 – The syndication central server stores and updates policy information, including information regarding the frozen credit line of an investor. “If at any time the cardholder cancels his credit card account with that bank, the bank immediately notifies the insurance agency and the terms of policy investment are canceled immediately.”

This means that the investor must comply with the required frozen credit line rules in order to qualify for member participation in the pool (syndicate). The terms of the policy are part of the contract information and this information is maintained by the syndication central server, as seen in col. 4, line 47 through col. 5, line 43, col. 6, line 59 through col. 7, line 6, and col. 12, lines 22-49.);

[Claim 72] wherein the step of determining is carried out periodically (col. 5, lines 13-35);

[Claim 73] wherein the step of determining the participation is according to a formula (col. 8, lines 36-65, col. 12, lines 50-59, col. 14, lines 25-36 – The terms agreed to by all involved parties determine how much risk each investor is willing to accept and thus potentially fund via a credit freeze. The investment amount/percentage varies based on each policy and specific terms agreed to. Determining a percentage or amount corresponding to a risk share implies a formula; col. 5, lines 9-43 – The syndication central server stores and updates policy information, including information regarding the frozen credit line of an investor. “If at any time the cardholder cancels his credit card

Art Unit: 3684

account with that bank, the bank immediately notifies the insurance agency and the terms of policy investment are canceled immediately.” This means that the investor must comply with the required frozen credit line rules in order to qualify for member participation in the pool (syndicate). The terms of the policy are part of the contract information and this information is maintained by the syndication central server, as seen in col. 4, line 47 through col. 5, line 43, col. 6, line 59 through col. 7, line 6, and col. 12, lines 22-49.);

[Claim 74] further including the step of notifying, with the computer system, at least one of the members of the pool regarding a change in the participation (col. 13, line 53 through col. 14, line 18 – When an insurance claim is submitted for a payout from a syndicated insurance policy, the members of the syndicate will effectively change from investors receiving premium shares to investors contributing to an insurance payout through their lines of credit, thereby ending participation in the syndicate);

[Claim 75] further including the step of notifying, with the computer system, at least one of the members of the pool regarding an imminent change in the participation (col. 13, line 53 through col. 14, line 18 – When an insurance claim is submitted for a payout from a syndicated insurance policy, the members of the syndicate will effectively change from investors receiving premium shares to investors contributing to an insurance payout through their lines of credit, thereby ending participation in the syndicate);

[Claim 76] further including the step of producing a notice of a change in the participation of at least one of the members of the pool (col. 13, line 53 through col. 14,

Art Unit: 3684

line 18 – When an insurance claim is submitted for a payout from a syndicated insurance policy, the members of the syndicate will effectively change from investors receiving premium shares to investors contributing to an insurance payout through their lines of credit, thereby ending participation in the syndicate);

[Claim 77] further including the step of automatically tracking, with said computer system, any pool financial liability (col. 13, line 53 through col. 14, line 18);

[Claim 78] further including the step of forecasting, with said computer system, future costs of the pool (col. 5, lines 1-65; col. 7, lines 7-34; col. 8, lines 36-65; col. 13, line 53 through col. 14, line 36);

[Claim 79] further including the step of calculating, with said computer system, a price charged by the pool (col. 13, line 53 through col. 14, line 36);

[Claim 80] further including the step of automatically testing a price corresponding to the pool (col. 5, lines 1-65; col. 7, lines 7-34; col. 8, lines 36-65; col. 13, line 53 through col. 14, line 36);

[Claim 162] wherein the event is a change in a credit rating (col. 8, lines 36-65, col. 12, lines 50-59, col. 14, lines 25-36 – The terms agreed to by all involved parties determine how much risk each investor is willing to accept and thus potentially fund via a credit freeze. The investment amount/percentage varies based on each policy and specific terms agreed to; col. 5, lines 9-43 – The syndication central server stores and updates policy information, including information regarding the frozen credit line of an investor. “If at any time the cardholder cancels his credit card account with that bank, the bank

Art Unit: 3684

immediately notifies the insurance agency and the terms of policy investment are canceled immediately.” This means that the investor must comply with the required frozen credit line rules in order to qualify for member participation in the pool (syndicate).).

[Claims 81-85, 115, 120-122, 137-145, 150-160, 166] Claims 81-85, 115, 120-122, 137-145, 150-160, and 166 recite limitations already addressed by the rejections of claims 1-5, 35, 40-42, 57-65, 70-80, and 162 above; therefore, the same rejections apply.

Furthermore, Walker discloses a processor, input device, output device, and memory (Figs. 1, 2, 4, 7).

[Claim 161] Claim 161 recites limitations already addressed by the rejection of claims 1 and 2 above; therefore, the same rejections apply.

Furthermore, Walker discloses a processor, input device, output device, and memory (Figs. 1, 2, 4, 7).

Claims 36-39, 43, 48, 52, 116-119, 123, 128, and 132 are rejected under 35 U.S.C. 103(a) as being unpatentable over Walker et al. (U.S. Patent No. 6,119,093) in view of McCord et al. (“Partnerships: If There’s a Beginning...There’s an End.” *The*

Art Unit: 3684

*National Public Accountant*, vol. 37, no. 4, page 18, April 1992”), as applied to claims 1 and 81 above, and further in view of King et al. (U.S. Patent No. 5,704,045).

[Claim 36] Walker does not explicitly disclose wherein the rules include at least one requirement regarding collateral status of at least one of the members of the pool. King discloses matching of acceptable investors (e.g., underwriting members) based on risk posed by the investors/underwriting members (col. 3, line 20 through col. 5, line 21).

Evaluation may be performed based on a collateral status of at least one investor/underwriting member (col. 5, line 56 through col. 6, line 4; col. 10, lines 1-18).

As stated by King, “The invention imposes an improved capital structure which provides maximum assurance of the insurer-entity's ability to fully and completely satisfy its obligations. In the present embodiment, its continued existence, various restrictions, and oversight are protected by a specially enacted body of legislation which limits or prevents the ability of general creditors to reach or attach reserved assets of the entity and make more difficult action by general creditors to cause the entity to be liquidated.”

(King: col. 6, lines 5-13) Both Walker and King seek a group of investors deemed reliable enough to cover each investor's respective portion of a potential future obligation. The Examiner submits that it would have been obvious to one of ordinary skill in the relevant art at the time of Applicant's invention to modify Walker wherein the rules include at least one requirement regarding collateral status of at least one of the members of the pool (as disclosed by King) in order to help ensure that the members of Walker's syndicate will indeed be able to fulfill any potential financial obligations as a whole (as suggested by King).

Art Unit: 3684

[Claim 37] Walker does not explicitly disclose wherein the rules include at least one requirement regarding revenue of at least one of the members of the pool. King discloses matching of acceptable investors (e.g., underwriting members) based on risk posed by the investors/underwriting members (col. 3, line 20 through col. 5, line 21). Evaluation may be performed based on revenue of at least one investor/underwriting member (col. 5, line 56 through col. 6, line 4; col. 10, lines 1-18). As stated by King, "The invention imposes an improved capital structure which provides maximum assurance of the insurer-entity's ability to fully and completely satisfy its obligations. In the present embodiment, its continued existence, various restrictions, and oversight are protected by a specially enacted body of legislation which limits or prevents the ability of general creditors to reach or attach reserved assets of the entity and make more difficult action by general creditors to cause the entity to be liquidated." (King: col. 6, lines 5-13) Both Walker and King seek a group of investors deemed reliable enough to cover each investor's respective portion of a potential future obligation. The Examiner submits that it would have been obvious to one of ordinary skill in the relevant art at the time of Applicant's invention to modify Walker wherein the rules include at least one requirement regarding revenue of at least one of the members of the pool (as disclosed by King) in order to help ensure that the members of Walker's syndicate will indeed be able to fulfill any potential financial obligations as a whole (as suggested by King).

[Claim 38] Walker does not explicitly disclose wherein the rules include at least one requirement regarding profit of at least one of the members of the pool. King discloses matching of acceptable investors (e.g., underwriting members) based on risk posed by



Art Unit: 3684

the investors/underwriting members (col. 3, line 20 through col. 5, line 21). Evaluation may be performed based on profit of at least one investor/underwriting member (col. 8, lines 1-6). As stated by King, "The invention imposes an improved capital structure which provides maximum assurance of the insurer-entity's ability to fully and completely satisfy its obligations. In the present embodiment, its continued existence, various restrictions, and oversight are protected by a specially enacted body of legislation which limits or prevents the ability of general creditors to reach or attach reserved assets of the entity and make more difficult action by general creditors to cause the entity to be liquidated." (King: col. 6, lines 5-13) Both Walker and King seek a group of investors deemed reliable enough to cover each investor's respective portion of a potential future obligation. The Examiner submits that it would have been obvious to one of ordinary skill in the relevant art at the time of Applicant's invention to modify Walker wherein the rules include at least one requirement regarding profit of at least one of the members of the pool (as disclosed by King) in order to help ensure that the members of Walker's syndicate will indeed be able to fulfill any potential financial obligations as a whole (as suggested by King).

[Claim 39] Walker does not explicitly disclose wherein the rules include at least one diversification requirement. King discloses matching of acceptable investors (e.g., underwriting members) based on risk posed by the investors/underwriting members (col. 3, line 20 through col. 5, line 21). Evaluation may be performed based on a diversification requirement (col. 10, lines 42-49). As stated by King, "The invention imposes an improved capital structure which provides maximum assurance of the

Art Unit: 3684

insurer-entity's ability to fully and completely satisfy its obligations. In the present embodiment, its continued existence, various restrictions, and oversight are protected by a specially enacted body of legislation which limits or prevents the ability of general creditors to reach or attach reserved assets of the entity and make more difficult action by general creditors to cause the entity to be liquidated." (King: col. 6, lines 5-13) Both Walker and King seek a group of investors deemed reliable enough to cover each investor's respective portion of a potential future obligation. The Examiner submits that it would have been obvious to one of ordinary skill in the relevant art at the time of Applicant's invention to modify Walker wherein the rules include at least one diversification requirement (as disclosed by King) in order to help ensure that the members of Walker's syndicate will indeed be able to fulfill any potential financial obligations as a whole (as suggested by King), while serving to alleviate risk for the participants in the syndicate as well as those who might receive a payout from a guaranteed monetary obligation.

[Claim 43] Walker does not explicitly disclose wherein the at least one diversification requirement comprises a requirement of a reduction in diversifiable risk. King discloses matching of acceptable investors (e.g., underwriting members) based on risk posed by the investors/underwriting members (col. 3, line 20 through col. 5, line 21). Evaluation may be performed based on a diversification requirement (col. 10, lines 42-49) and diversification itself is known to help mitigate risk. As stated by King, "The invention imposes an improved capital structure which provides maximum assurance of the insurer-entity's ability to fully and completely satisfy its obligations. In the present

Art Unit: 3684

embodiment, its continued existence, various restrictions, and oversight are protected by a specially enacted body of legislation which limits or prevents the ability of general creditors to reach or attach reserved assets of the entity and make more difficult action by general creditors to cause the entity to be liquidated." (King: col. 6, lines 5-13) Both Walker and King seek a group of investors deemed reliable enough to cover each investor's respective portion of a potential future obligation. The Examiner submits that it would have been obvious to one of ordinary skill in the relevant art at the time of Applicant's invention to modify Walker wherein the at least one diversification requirement comprises a requirement of a reduction in diversifiable risk in order to help ensure that the members of Walker's syndicate will indeed be able to fulfill any potential financial obligations as a whole (as suggested by King), while serving to alleviate risk for the participants in the syndicate as well as those who might receive a payout from a guaranteed monetary obligation.

[Claim 48] Walker does not explicitly disclose wherein the rules include a diversification formula. King discloses matching of acceptable investors (e.g., underwriting members) based on risk posed by the investors/underwriting members (col. 3, line 20 through col. 5, line 21). Evaluation may be performed based on a diversification requirement (col. 10, lines 42-49) and diversification itself is known to help mitigate risk. Additionally, King refers to investors accepting "a specific risk or a diversification of risk" (col. 3, lines 12-17). Accepting a specific level of diversification implies some sort of mix of risk (e.g., a specific ratio of risk among various risk-contributing elements). Broadly speaking, modeling this diversification would suggest

Art Unit: 3684

use of a type of formula. Investors may also accept risk based on returns related to the risk (col. 4, lines 58-65), which would also suggest use of calculations (or a formula).

As stated by King, "The invention imposes an improved capital structure which provides maximum assurance of the insurer-entity's ability to fully and completely satisfy its obligations. In the present embodiment, its continued existence, various restrictions, and oversight are protected by a specially enacted body of legislation which limits or prevents the ability of general creditors to reach or attach reserved assets of the entity and make more difficult action by general creditors to cause the entity to be liquidated."

(King: col. 6, lines 5-13) Both Walker and King seek a group of investors deemed reliable enough to cover each investor's respective portion of a potential future obligation. The Examiner submits that it would have been obvious to one of ordinary skill in the relevant art at the time of Applicant's invention to modify Walker wherein the rules include a diversification formula in order to help ensure that the members of Walker's syndicate will indeed be able to fulfill any potential financial obligations as a whole (as suggested by King), while serving to make an acceptable level of risk more palatable for the participants in the syndicate as well as those who might receive a payout from a guaranteed monetary obligation.

[Claim 52] Walker does not explicitly disclose wherein the rules include a goal regarding value creation. King discloses matching of acceptable investors (e.g., underwriting members) based on risk posed by the investors/underwriting members (col. 3, line 20 through col. 5, line 21). Evaluation may be performed based on a diversification requirement (col. 10, lines 42-49) and diversification itself is known to

Art Unit: 3684

help mitigate risk. Additionally, King refers to investors accepting “a specific risk or a diversification of risk” (col. 3, lines 12-17). Accepting a specific level of diversification implies some sort of mix of risk (e.g., a specific ratio of risk among various risk-contributing elements). Investors may also accept risk based on returns related to the risk (col. 4, lines 58-65). Creating an optimal pool of investors creates value within the pool. As stated by King, “The invention imposes an improved capital structure which provides maximum assurance of the insurer-entity's ability to fully and completely satisfy its obligations. In the present embodiment, its continued existence, various restrictions, and oversight are protected by a specially enacted body of legislation which limits or prevents the ability of general creditors to reach or attach reserved assets of the entity and make more difficult action by general creditors to cause the entity to be liquidated.” (King: col. 6, lines 5-13) Both Walker and King seek a group of investors deemed reliable enough to cover each investor's respective portion of a potential future obligation. The Examiner submits that it would have been obvious to one of ordinary skill in the relevant art at the time of Applicant's invention to modify Walker wherein the rules include a goal regarding value creation in order to help ensure that the members of Walker's syndicate will indeed be able to fulfill any potential financial obligations as a whole (as suggested by King), while serving to make an acceptable level of risk more palatable for the participants in the syndicate as well as those who might receive a payout from a guaranteed monetary obligation.

Art Unit: 3684

[Claims 116-119, 123, 128, 132] Claims 116-119, 123, 128, and 132 recite limitations already addressed by the rejections of claims 1-5, 35-43, 48, 52, 57-65, 70-80, and 162 above; therefore, the same rejections apply.

Furthermore, Walker discloses a processor, input device, output device, and memory (Figs. 1, 2, 4, 7).

Claims 51 and 131 are rejected under 35 U.S.C. 103(a) as being unpatentable over Walker et al. (U.S. Patent No. 6,119,093) in view of McCord et al. ("Partnerships: If There's a Beginning...There's an End." *The National Public Accountant*, vol. 37, no. 4, page 18, April 1992") in view of King et al. (U.S. Patent No. 5,704,045), as applied to claims 1, 48, 81, and 128 above, and further in view of Kale et al. (U.S. Patent No. 7,050,998).

[Claims 51, 131] Walker does not explicitly disclose wherein the diversification formula includes a covariance of returns formula. King discloses matching of acceptable investors (e.g., underwriting members) based on risk posed by the investors/underwriting members (col. 3, line 20 through col. 5, line 21). Evaluation may be performed based on a diversification requirement (col. 10, lines 42-49) and diversification itself is known to help mitigate risk. Additionally, King refers to investors accepting "a specific risk or a diversification of risk" (col. 3, lines 12-17). Accepting a specific level of diversification implies some sort of mix of risk (e.g., a specific ratio of risk among various risk-contributing elements). Broadly speaking, modeling this diversification would suggest use of a type of formula. Investors may also accept risk

Art Unit: 3684

based on returns related to the risk (col. 4, lines 58-65), which would also suggest use of calculations (or a formula). As stated by King, "The invention imposes an improved capital structure which provides maximum assurance of the insurer-entity's ability to fully and completely satisfy its obligations. In the present embodiment, its continued existence, various restrictions, and oversight are protected by a specially enacted body of legislation which limits or prevents the ability of general creditors to reach or attach reserved assets of the entity and make more difficult action by general creditors to cause the entity to be liquidated." (King: col. 6, lines 5-13) Still, King does not explicitly disclose a specific diversification formula that includes a covariance of returns formula. Kale discloses that investment returns may be modeled as distributions based on a covariance matrix (col. 1, lines 30-55). This formula is old and well-known in the investment art and would thus yield expected results when applied to investment scenarios. Both Walker and King seek a group of investors deemed reliable enough to cover each investor's respective portion of a potential future obligation. The Examiner submits that it would have been obvious to one of ordinary skill in the relevant art at the time of Applicant's invention to modify Walker wherein the diversification formula includes a covariance of returns formula in order to help ensure that the members of Walker's syndicate will indeed be able to fulfill any potential financial obligations as a whole (as suggested by King), while serving to make an acceptable level of risk more palatable for the participants in the syndicate as well as those who might receive a payout from a guaranteed monetary obligation. This formula is old and well-known in

Art Unit: 3684

the investment art and would thus yield expected results when applied to investment scenarios.

Furthermore (regarding claim 131), Walker discloses a processor, input device, output device, and memory (Figs. 1, 2, 4, 7).

### **(10) Response to Argument**

Appellant presents arguments centered around the assertion that the claimed pool does not correlated to Walker's insurance syndicate (pages 32-44 of the appeal brief). For example, Appellant submits that investors of a syndicate "act individually" and are thus not part of a pool (page 33 of the appeal brief). The Examiner points out that, in Walker, the syndicate members do indeed work together (e.g., as a pool of participants). Even though the syndicate members buy into the pool as an investment, once shares are purchased in the syndicate, the share owners are bound to pooling their resources to fulfill group liabilities associated with the syndicate. For example, if an insurance claim needs to be paid out, each share has a risk cost associated with it and this risk cost defines the amount that each share owner (i.e., member of the pool/syndicate) is obligated to pay toward an insurance policy payment (Walker: col. 2, lines 50-67; col. 5, lines 44-65). It is old and well-known that this type of arrangement helps to minimize personal risk by distributing it among various participants in a pool while creating a potential income opportunity for these participants (Walker: col. 1, lines 8-52). All rewards and liabilities are shared by the members of the syndicate. If a person drops out of the pool or does not meet the credit line requirements, this threatens the ability of the syndicate as a whole to provide its promised insurance



Art Unit: 3684

coverage; therefore, the fact that a pool of participants works together to fulfill the syndicate's financial obligations means that each individual member is expected to act in compliance with rules defined by the syndicate. The syndicate verifies that compliance with these rules is adhered to by each member of the syndicate (Walker: col. 12, lines 23-40); therefore, there is clearly a group (or pooled) effort to keep the insurance syndicate operating as intended. For example, if a member failed to contribute capital toward a potential insurance payout, the syndicate as a whole would potentially not be able to meet a promised financial payout should an insurance claim be approved; therefore, Walker's syndicate is a type of pool. It is additionally noted that Walker's "Background of the Invention" section sets forth well-known interpretations of insurance syndicates, which enhances understanding of Walker's invention. Walker's disclosure expands upon and enhances these well-known concepts (particularly as described in col. 1, lines 5-67) instead of creating an invention that completely revamps the interpretation of and works contrary to the well-known meaning of syndicates. Therefore, Walker's full disclosure may be relied upon in the art rejection and Appellant is reminded that the rejection in question is a rejection under 35 U.S.C. § 103(a) (not under 35 U.S.C. § 102).

Appellant argues that Walker does not disclose "the claimed computer-aided method of determining participation in a pool (including) applying the rules, with the computer system, to carry out the step of determining the participation within the period." (Pages 44-45 of the appeal brief) As explained in the art rejection, as seen in col. 5, lines 9-43 of Walker, the syndication central server stores and updates policy

Art Unit: 3684

information, including information regarding the frozen credit line of an investor. "If at any time the cardholder cancels his credit card account with that bank, the bank immediately notifies the insurance agency and the terms of policy investment are canceled immediately." This means that the investor must comply with the required frozen credit line rules in order to qualify for member participation in the pool (syndicate). The terms of the policy are part of the contract information and this information is maintained by the syndication central server, as seen in col. 4, line 47 through col. 5, line 43, col. 6, line 59 through col. 7, line 6, and col. 12, lines 22-49 of Walker. A second rule to belong to the syndicate is that a syndicate member own shares in the syndicate, for example. The Walker-McCord combination was relied upon to address claim 1 in its entirety. Appellant does not address this combination in this particular part of the arguments. The assessed total amount of an obligation and resulting proportions of the obligation assigned based on share ownership also contribute to the analysis of rules. Rules also define how income (e.g., from insurance premiums) are to be shared among the syndicate members. For example, obligations of varying financial amounts would likely yield different member obligation amounts to be contributed toward the syndicate obligation. Therefore, rules may vary based on the nature of a current obligation.

On pages 45-45 of the appeal brief, Appellant argues that "McCord does not disclose that the applied rules include a requirement that at least one member of the pool assumes a larger share of the obligation in the event at least one other member of the pool has a reduced share of the obligation." On pages 46-48, Appellant argues that

Art Unit: 3684

Walker and McCord are not analogous art. As discussed in the arguments and in the art rejection, Walker discloses the application of rules while McCord brings in teachings to better address the concept of requiring a member of a pool to assume a larger share of an obligation when at least one other member of the pool has a reduced share of the obligation. If a syndicate is created to fulfill an obligation of x amount, the syndicate maintains that obligation of x amount regardless of how many members remain in good standing in the syndicate. A syndicate is a group of people working together toward a common goal (e.g., reaping shared rewards and paying shared obligations). Similarly, McCord discusses the nature of partnerships, which too relies on a shared risk-return model (therefore Walker and McCord are indeed analogous art). As stated by McCord, if one partner leaves the partnership, other (new) investors brought into the partnership or the remaining partners may take over the remaining share of debt. Both Walker and McCord are directed toward handling debt by a pool of investors (or partners). The Examiner submits that it would have been obvious to one of ordinary skill in the financial art at the time of Applicant's invention to modify Walker to address the issue of loss of a pool participant in accordance with "a requirement that at least one member of the pool assumes a larger share of the obligation in the event at least one other member of the pool has a reduced share of the obligation" in order to help assure that the obligations of the pool will continue to be met by the pool as a whole. More explanation may be found in the art rejection of claim 1.

On pages 49-50, Appellant asserts that Walker does not lend itself to being modified as presented in the art rejection. First, the Appellant ignores the teachings of

Art Unit: 3684

McCord. Second, the Examiner disagrees with Appellant's attempt to distinguish the claimed pool from Walker's syndicate. The Examiner's arguments regarding this second point have been addressed above.

On pages 50-52, Appellant largely reiterates previous arguments, to which Examiner has presented her responses above.

On pages 53-54, Appellant argues that McCord does not disclose the claimed rules and Walker would not be easily modified to replace an investor's obligation with obligations from another investor(s) since the insurance company would absorb the remaining obligation. First, any guidelines regarding how a partnership is run or how investors are to be handled constitutes rules. Even McCord's suggestions for handling partnership dissolution are examples of rules to which to adhere. As discussed above, Walker clearly addresses rules as well. Second, in Walker, the point of creating an insurance syndicate is to distribute risk. If the insurance company wanted to absorb all risk on its own, it would not lend itself to establishing an insurance syndicate. Keeping this in mind, as investors drop out of the syndicate (or do not fulfill the terms of their obligations), it would behoove the insurance syndicate to encourage more investors to join the syndicate and help with any remaining outstanding obligations. This is explained in great detail in the art rejection (e.g., please see the rejections of claims 1 and 2).

On pages 54-57, Appellant reiterates the arguments that Walker does not form a pool or utilize rules. The Examiner has addressed these arguments above.

On pages 57-58, Appellant submits that Walker's teaching of using a percentage to determine a risk share for each syndicate member is NOT an example of using a formula. The Examiner respectfully disagrees. On page 58, Appellant provides the example of 10% of students in a class receiving an A, the next 20% receiving a B, etc.; however, Applicant submits that no formula would be required. The Examiner questions how the teacher would know then which students to whom to give an A, B, etc. without knowing how many students are in the class and then multiplying the total amount of students by the respective percentage. Walker is an operable invention that discloses paying out insurance obligations. Insurance payouts do occur; therefore, the payout/liability obligation of each syndicate member must be calculated when it comes time to pay up one's respective share. Therefore, the use of a percentage to assign liability amounts would necessarily require use of a formula.

On pages 58-59, Appellant argues that Walker does not address the rules (for membership in the pool) or the checking of one's credit rating. The issue of the rules has been addressed by the Examiner above. Regarding the credit rating, it has been explained in the art rejection that, as seen in col. 5, lines 9-43 of Walker, the syndication central server stores and updates policy information, including information regarding the frozen credit line of an investor. "If at any time the cardholder cancels his credit card account with that bank, the bank immediately notifies the insurance agency and the terms of policy investment are canceled immediately." This means that the investor must comply with the required frozen credit line rules in order to qualify for member participation in the pool (syndicate). The terms of the policy are part of the contract

Art Unit: 3684

information and this information is maintained by the syndication central server, as seen in col. 4, line 47 through col. 5, line 43, col. 6, line 59 through col. 7, line 6, and col. 12, lines 22-49 of Walker. Any assessment of one's credit standing (e.g., as taught by Walker) is a type of "credit rating."

On pages 59-60 of the appeal brief, Appellant argues that Walker does not disclose that the rules are associated with certain triggering future events. The Examiner respectfully disagrees. As seen in the rejection of claim 60, Walker stores various policy-related information, including syndicate requirements, risk and revenue, as seen in col. 4, line 47 through col. 5, line 43, col. 6, line 59 through col. 7, line 6, col. 12, lines 22-49, and col. 13, line 35 through col. 14, line 45. New insurance syndicates may continue to be created in the future. Also, any problems identified with a member's status may cause his/her syndicate membership to be jeopardized (including subsequent determination that a needed credit line to fulfill a promised share of obligation is no longer available).

On pages 61-62, Appellant argues that the claimed "a replacement pool member" (*emphasis added*) implies that a pool member was lost and that pool member needs to be replaced. As explained in the rejection of claim 61, the phrase "replacement" is just an identifier for the pool member and imparts no functionality or structurally limiting scope (particularly since "a replacement pool member" is recited, thereby making no reference to a particular previously recited "replacement pool member"). Furthermore, an investor that applies to join a syndicate is effectively serving to replace some of the risk previously carried by the insurance company. In this sense, a new investor may be

Art Unit: 3684

seen as a "replacement" pool member. Walker discusses the addition of new pool members in col. 4, line 47 through col. 5, line 43.

On pages 62-66, Appellant asserts that King does not make up for the deficiencies of Walker and McCord. Since the Examiner does not agree that there are deficiencies in Walker and McCord (for what they are respectively relied upon in the art rejections), King is not needed to make up for any previously argued deficiencies of these references. The Examiner's responses to Appellant's related arguments are found above. Appellant further argues that King does not disclose the elements of claims 36-39, 43, 48, 52, 116-119, 123, 128, and 132 in the context of the claimed pool. King was never asserted by the Examiner to teach the pool *per se*. Instead, King has been relied upon to teach various well-known financial concepts, including checking one's collateral status to ensure that a promised obligation may be fulfilled, choosing investors suited to an identified investment risk, and the benefits of diversification (e.g., to help mitigate risk). The Examiner never asserted that King necessarily taught these concepts in the environment of the particular investment pool claimed; however, when addressing the teachings of King, Appellant fails to take into account the contributing teachings of Walker and McCord toward these rejections as a whole. Again, King addresses very well-known concepts, and as explained in the art rejections, the integration of these concepts with the Walker-McCord combination would have been obvious to one of ordinary skill in the respective art because of the described benefits (which are also very well-known concepts in the area of finance and investments, as

Art Unit: 3684

supported by King's disclosure). More detailed explanations are found in the respective art rejections.

On pages 66-67, Appellant argues that Kale does not address a pool or rules for membership participation in the pool. Kale is not relied upon to teach these limitations; therefore, Appellant's arguments are not persuasive. Kale was relied upon to address how investment returns may be modeled as distributions based on a covariance matrix. Appellant does not argue Kale on these grounds. The arguments regarding what is taught and/or suggested by Walker, McCord, and King have been addressed by the Examiner above.

On pages 67-70, Appellant challenges the validity of the rejections of claims 77-80 and 157-160 based on the premise that Walker does not disclose pools. This argument has been addressed by the Examiner above. Since Appellant's arguments regarding the pools have not been deemed persuasive, the rejections of claims 77-80 and 157-160 are also deemed to be valid.

#### **(11) Related Proceeding(s) Appendix**

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

/SUSANNA M. DIAZ/  
Primary Examiner, Art Unit 3684

Conferees:



Art Unit: 3684

/Jason B Dunham/

Supervisory Patent Examiner, Art Unit 3684

Vincent Millin/vm/

Appeals Practice Specialist